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CENTRAL INTELLIGENCE AGENCY  
**INFORMATION REPORT**

25X1A

COUNTRY Spain  
SUBJECT Operation of Tire Plant and Textile Mill/Good  
Morale of People

PLACE ACQUIRED  
(BY SOURCE)

DATE ACQUIRED  
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the  
All tires are made  
according to US specifications as to quality, but the output is varied in size  
due to the multiplicity of European and US automobiles in Spain. The plant makes no  
other rubber products. It does have a laboratory in which minor problems of produc-  
tion are solved, but it chiefly makes use of the more elaborate research facilities  
at our US plant. As well as I could determine there was little government supervision  
or interference, for no one mentioned them as being a problem with which to contend.

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2. The textile mill  
consists of two concrete buildings and employs about 500 workers, 80 per cent of whom  
are women. The mill has a small electric generator which furnishes only 25 per cent  
of the power required for operations, the remainder being purchased from a public com-  
pany. The equipment is not modern, but is, I should say, average for operations of this  
type, and is adequate for all purposes. Its maintenance is good. The chief problem  
was concerned with maintaining sufficient experienced labor. Since  
there is only one other small textile mill in the entire area the number of  
experienced workers is extremely limited, compared with a US textile community where  
hundreds of mills insure an adequate supply. Due to the more leisurely methods em-  
ployed in Spain, however, there is time to instruct new employees and consequently  
the problem is not acute. In fact there are no serious problems of production and

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3. All workers belong to a union, but compared with the difficulties US manufacturers encounter in operating in Latin America, the situation in Bilbao is peaceful. The plant runs three shifts on a 40-hour week, and although the standard of living is low in western eyes I encountered no destitution or malnutrition. The employees of the textile mill have to procure living quarters wherever they can in the vicinity, but at the rubber plant the company is in the process of constructing 80 new apartments to help in housing its workers. As well as I could determine the morale of both labor and management is good. The superintendents and manager are efficient.
4. I was favorably impressed by the friendly attitude and good morale of all the Spanish people with whom I came into contact. They are definitely pro-US, and it is my opinion that our aid will be appreciated by the man-in-the-street. Communism appears to be no threat in the Bilbao area, for the managerial personnel of factories there certainly have no difficulty with propaganda and attempted infiltration. The people with whom I talked supported Franco, because they claimed that he had really done a great deal to improve the economy of the country. In contrast with Peron's sweeping attempts to raise the standard of living of the lower classes over night with such disastrous results, they alleged that Franco is following a "go-slow" policy in this matter, but is quietly achieving lasting results. Having

opinion is that the Spanish are hard workers, in contrast to the French, and are deserving of US assistance.

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